

CALIFORNIA WORKFORCE INVESTMENT BOARD
November 19, 2003
MEETING SUMMARY

On November 19, 2003, the California Workforce Investment Board (State Board) convened at the Sierra Health Foundation in Sacramento. The following individuals were in attendance:

Board Members

Larry Gotlieb, Chair
Chris Essel, Vice Chair
Patrick Ainsworth (designee for Jack O'Connell)
Norris Bishton
Kenneth Burt
James Crettol
Mike Dugan (designee for Bob Balgenorth)
Evelyn Fierro
Victor Franco
Scott Hauge
T. Warren Jackson
Sukhee Kang
Robert Levy
Kirk Lindsey
Minnie Lopez-Baffo
Matt McKinnon (designee for Steve Smith)
Sunne Wright McPeak
Kathleen Milnes
Elvin Moon
Sandy Monagan (designee for Rick Mendlen)
Bill Noce
Patti Nunn (designee for Miguel A. Pulido)
Art Pulaski
Frank Quintero, Sr.
Ron Selge (designee for Tom Nussbaum)
Rona Sherriff (designee for Wesley Chesbro)
Jan Vogel (designee for Jerome E. Horton)
Pat Wise (designee for Art Pulaski)

STAFF MEMBERS

Andrew Baron, Executive Director
Paul Gussman, Deputy Director
Barbara Borges
Megan Juring
Dave Mar
David Militzer
Kevin Woolfork

Welcome and Opening Remarks

Vice Chair Chris Essel called the meeting to order and noted that Chair Larry Gotlieb would be arriving soon. Ms. Essel thanked the Sierra Health Foundation for hosting the meeting.

Ms. Jacqueline Segersten from the Sierra Health Foundation welcomed the State Board. She explained that Sierra Health Foundation is a private philanthropic organization devoted to promoting health and health-related activities in Northern California. She stated that Sierra Health Foundation provides grants to health-related organizations and supports a number of capacity-building programs. She noted that the conference facility is available free of charge to organizations working in health and health care endeavors.

Mr. Gotlieb joined the meeting and expressed his appreciation to Sierra Health Foundation. He proceeded to review the meeting agenda and pointed out some of the highlights.

Update on WIA Reauthorization

Mr. Steve Malliaras and Mr. Ed Leslie, U.S. Department of Labor, provided a briefing on Workforce Investment Act (WIA) reauthorization.

Mr. Leslie reported that the U.S. Senate passed a reauthorization bill that week that differed somewhat from the version passed by the House of Representatives. He noted the congressional conference committee would be formed after the first of the year to examine and consolidate the two bills.

Mr. Leslie stated that both bills reaffirm the importance of business-led state and local boards. He noted that local One-Stop partner agencies will still be an important part of state boards, but local boards will be more focused on business. Mr. Leslie indicated that other key elements of the reauthorization bills are a reaffirmation of the Eligible Training Providers List; emphasis on sequence of services, from core services to intensive services to training; and a “hold harmless” approach to funding, in an attempt to stabilize funding and minimize year-to-year fluctuations. He stated that controversial issues include the consolidation of adult, dislocated worker, and Wagner-Peyser funds; the degree of flexibility for states in the administration of money; One-Stop infrastructure funding; greater emphasis on out-of-school youth; and waiver authority.

Mr. James Crettol asked for clarification as to the targeting of out-of-school youth. Mr. Leslie explained that the two bills propose different target levels for out-of-school youth. He stated that the administration supports a 70/30 out of school/in school percent split, while the Senate bill proposes a lower level. He added that the outcome of the conference committee deliberations is likely to be closer to 50/50.

On behalf of the State Board, Mr. Gotlieb expressed appreciation to Mr. Armando Quiroz, who recently retired from the U.S. Department of Labor. He acknowledged Mr. Quiroz’s assistance to the State Board in understanding the technical aspects of the WIA statute and regulations. He stated that with Mr. Quiroz’s support, California was able to do a number of innovative things, such as establishing the State Youth Council, forming a Council of Economic Advisors, and implementing a number of initiatives to increase business participation. Mr. Gotlieb presented a plaque honoring Mr. Quiroz for his contribution to California’s workforce development efforts.

Mr. Leslie accepted the plaque on Mr. Quiroz’s behalf and thanked the State Board for its recognition. He stated that Mr. Quiroz enjoyed his involvement with the State Board, and that both the Department of Labor and the State Board gained from Mr. Quiroz’s participation.

Opening Remarks (Continued)

Mr. Gotlieb welcomed newly appointed State Board members Evelyn Fierro, Minnie Lopez-Baffo, and Sunne Wright McPeak. He congratulated Ms. McPeak on her appointment as the new Secretary of Business, Transportation, and Housing, and he invited her to address the State Board.

Secretary McPeak stated she was honored by her recent appointment and looked forward to serving on the State Board. She noted that Governor Schwarzenegger is committed to bringing a new way of conducting business to state government that will transcend partisan politics and geographical differences. She observed that there are signs the economy is beginning to improve, and that California needs to take action to promote economic recovery. In particular, she stated that the Business, Transportation, and Housing Agency will be seeking to improve the state's infrastructure by better integrating transportation with housing and land use.

Secretary McPeak commented that workforce preparation is critical to helping the state compete globally and achieve greater economic prosperity. She stated that the Governor's new cabinet is looking at the continuum of education to workforce preparation. She urged the State Board, as part of this process, to continue building on its partnerships with the Economic Strategy Panel, the Employment Development Department (EDD), local workforce investment boards (LWIBs), economic development corporations, and the California Department of Education. Secretary McPeak emphasized the importance of learning more about the causes of capital formation and job generation and creating more affordable housing as a way of helping all Californians share in the economic recovery. She added that the State Board's Council of Economic Advisors can play an instrumental role in identifying the best strategies to stimulate the economy.

Mr. Gotlieb praised the Labor and Workforce Development Agency (LWDA) for its prompt and effective response to the recent fires in southern California. He stated that with the support of the LWDA, California applied for an emergency job training grant for individuals and businesses affected by the fire, and that \$35 million will soon be coming to California for that purpose.

Executive Director Andrew Baron displayed a copy of the publication "Fifty Youth Stories," which was sent to all State Board members and legislators. He stated the document describes in detail the best practices and innovative programs instituted by the 50 local youth councils in the state. Mr. Baron acknowledged the Youth Council Institute for its assistance and support, and he thanked the young people throughout the state who were willing to share their stories. He encouraged all State Board members to read the publication to get an idea of how youth programs benefit young people throughout the state.

Mr. Baron stated the SYC developed a policy on high concentrations of eligible youth and strategies for assisting in those areas.

Mr. Baron noted that the U.S. Department of Labor recently awarded a grant to the State Board for improving transition outcomes for youth with disabilities. If activities under the grant are successfully implemented, the State Board could be funded for an additional four years, for a total of \$2.5 million. Mr. Baron added that this is the third successful grant application to come about through the efforts of the Universal Access Work Group.

Mr. Baron drew the State Board's attention to the agenda packet and the report "Farm Worker Forums: Everybody Needs a Choice." He noted that the Farmworker Work Group held a series of four forums throughout the state and developed a number of recommendations based on feedback from forum participants; those recommendations are embodied in the report.

Mr. Baron expressed his personal appreciation to the State Board and the staff for their hard work and support.

Mr. Gotlieb invited Mr. Matt McKinnon to update the State Board on recent activities of the Labor and Workforce Development Agency.

Mr. McKinnon announced that Ms. Victoria Bradshaw had just been appointed Undersecretary of the LWDA. He noted that Ms. Bradshaw previously served as Labor Commissioner and directed the Employment Training Panel (ETP), so she brings a wealth of experience and knowledge to the position.

Mr. McKinnon stated the LWDA has been working to streamline the grant process and expedite the rate at which money is allocated and disbursed. He noted that the Labor Agency has been able to balance the budget of the Governor's 15 Percent Discretionary Fund. In addition, the Governor's 25 Percent Rapid Response account has achieved a positive balance. With the improvements in the grant process, it should increase our chances for receiving national emergency grants to meet the state's rapid response needs.

Mr. McKinnon described an LWDA initiative to combine State Board and ETP activities. He noted that the ETP will be considering a life sciences initiative in the Los Angeles area at its November 20 meeting. That program, involving a local workforce investment board and Baxter Pharmaceutical, takes an ETP approach to job creation. Mr. McKinnon thanked Mr. Vogel for his assistance in putting together local funding for the initiative.

Approval of State Board Meeting Minutes

A motion was made and seconded to approve the minutes of the May 21, 2003, State Board meeting. The motion was carried unanimously.

WIA 25 Percent Dislocated Worker Funds Work Group Report

Mr. Ken Burt reported that the 25 Percent Dislocated Worker Funds Work Group met for the first time on October 6 to explore ways of expediting the process for getting rapid response funding to local areas. He drew attention to the material in the meeting packet for a more detailed description of the issues discussed by the work group.

Mr. Burt stated that the work group recommends the State Board formally recognize EDD for working with the California Workforce Association (CWA) and local areas to improve the process. Second, the work group requests that the Board approve its plans for developing recommendations on funding priorities for next year.

Mr. Burt made a motion, which was seconded, to formally recognize EDD for working collaboratively with CWA and the local areas to improve the process. He requested that the staff personally convey the State Board's appreciation to the EDD staff.

Mr. McKinnon asked if the work group was apprised of the formal written process that was developed regarding the 25 percent funding. Deputy Director Paul Gussman noted that the motion supports the process developed by the State Board staff and EDD. Mr. Dave Mar stated that the staff plans to work with EDD on an ongoing basis to identify further ways in which the process may be improved.

Mr. McKinnon expressed his support for continuing improvement. He asked the staff to apprise the work group of their deliberations with EDD so that the work group can understand how the process will work. He noted that the intent of the improvements is to create an open, fast-moving process in which all concerned parties can play a part. He suggested that the State Board look into the process in more detail at a future meeting.

Mr. Burt sought to clarify the point that the intent of his motion was to recognize the fact that all players were working together and that the money was indeed getting out faster. He emphasized that the work group has only met once, and that the process will evolve and improve over time.

Mr. Burt made a motion, which was seconded, to approve the work group's plans for developing recommendations on funding priorities for the next year. He clarified that the work group was not yet proposing any priorities on the process for developing the criteria. This motion was also carried unanimously.

Approval of Draft WIA Five-Year Plan Supplement

Mr. Kevin Woolfork presented a set of proposed modifications to California's five-year strategic investment plan. He noted that the modifications had been developed in consultation with EDD, the LWDA, the U.S. Department of Labor, and other stakeholders, and he expressed his appreciation for their efforts.

Mr. Woolfork stated that the modifications fall into five basic categories: (1) state vision and goals, (2) leadership, (3) strategies for improvement, (4) performance management, and (5) administrative responsibilities and signatures. He described the specific modifications being proposed. Mr. Woolfork noted that structural changes include recognition of the new Labor and Workforce Development Agency, adoption of the State Board's revised strategic goals, and creation of the State Youth Council. He mentioned the changes to the state incentive policy and failure-to-perform policy. Other modifications include the State Board's policy on high concentrations of eligible youth, recertification of LWIBs and subsequent designation of local workforce investment areas (LWIAs), and policies related to services for high-priority groups.

Mr. Art Pulaski made a motion, seconded by Mr. Bill Noce, to approve the proposed modifications and to authorize the Chair (Mr. Gotlieb) to submit the final supplement after the comment period.

Mr. Victor Franco asked about the process for obtaining public comment. Ms. Megan Juring responded that the modifications will be published on the State Board's Web site and that the public will have 30 days to submit comments. Staff will then compile comments and document the responses. She noted that the staff can update State Board members at the end of the comment period if any significant issues are raised. Ms. Juring added that all of the modifications are items that have been approved by the State Board in the past.

Mr. Pulaski's motion was put to a vote and carried unanimously.

Approval of Chair's Submittal of Final WIA Title 1B Annual Report

Mr. Pulaski noted that California's WIA Title 1B Annual Report to the federal government provides an update on the State Board's initiatives, outcomes, and successes, and that it includes performance information on the 17 performance standards. He indicated that staff is currently in the process of compiling information submitted from each of the 50 LWIBs, and that the report will be mailed to State Board members within the next week. In order to meet the federal deadline of December 1, State Board members will need to submit comments as promptly as possible.

Mr. Pulaski drew the Board's attention to Page 17 of the agenda packet for an outline of the major sections in the report.

Mr. Pulaski made a motion, seconded by Mr. Vogel, to authorize Chair Gotlieb to approve and transmit the final document.

Ms. Virginia Hamilton, CWA, commented that while the State Board has made some progress during the past year, there are a number of items that are still works in progress and need to be completed. She recommended that the State Board take steps to better align the discretionary funds budget with its goals and priorities. In particular, Ms. Hamilton noted, the California Cooperative Occupational Information System was defunded, so the State Board should look for another way of providing local labor market information. In addition, she emphasized the importance of funding capacity-building programs to provide training and technical assistance to local boards. She recommended increasing investment in capacity-building to make up for the \$175 million in federal funding lost over the past four years. Ms. Hamilton expressed support for the State Board's strategic goals, but noted they are ineffective without some funding or action attached to them.

Mr. Kirk Lindsey agreed with Ms. Hamilton's remarks about aligning goals with funding. He asked what next steps the State Board can take to address this issue. Ms. Nunn suggested deferring that discussion until the State Board's strategic planning session. Mr. Gotlieb agreed, noting that the State Board will have received further guidance from the new administration by then.

Ms. Kathleen Milnes observed that the State Board still supports the strategic goals. She noted that the goals were validated and expanded upon at last year's strategic planning session. Ms. Milnes recommended developing a strategy to tie the 15 percent money to the goals. As an example, she stated, the Los Angeles Workforce Investment Board's annual budget is laid out in a matrix showing which programs fit under each of the city's strategic goals, how much funding is allocated, the current status, and outcomes. Ms. Nunn supported the approach proposed by Ms. Milnes. She noted that the State Board should provide clear guidance to local boards as to what is available, what types of programs exist, and whom the collaboratives should involve.

Mr. Simmons recommended that the State Board make use of two reports prepared by the Economic Strategy Panel, a first-year report entitled "A Call to Action," and a second report on how to improve the economic status of the state. He advocated working closely with the Economic Strategy Panel to develop an effective economic strategy for the next five years.

Ms. Rona Sherriff observed that it is difficult to plan strategically without knowing what resources have already been invested. As a way of improving accountability, she suggested making information available on how funds have been allocated, what the current priorities are, and how funding decisions are made. She noted that having this kind of information will facilitate more rational planning and decision-making.

Mr. Militzer noted that the Annual Report will contain information on how the WIA Governor's 15 Percent Discretionary Funds have been used over the past year and what initiatives are being supported. The report will also provide information on categorical programs and the amount of funds allocated. He welcomed further input from State Board members after the Annual Report is mailed out.

Mr. Vogel asked whether Annual Report information can be made available to State Board members sooner next year. Mr. Gotlieb pointed out that this year's recall election disrupted the normal State Board meeting schedule. He also observed that the turnaround time is better this year than in past years.

Mr. Leslie informed the State Board that the U.S. Department of Labor will be moving the deadline to October 1 next year. He stated his staff gets phone calls from the Department of Labor in Washington if the data is late. He recognized that the State Board needs to be comfortable with the data California submits, but he urged the State Board to try to do its best to meet the deadline.

Ms. Milnes observed that the annual report consists of two major pieces, the compliance data and the summary of accomplishments. She asked if it would be possible for California to submit the annual report in two installments. Mr. Leslie strongly recommended getting all the data in on time. He stated that the Department of Labor needs both sets of data to complete its annual report to Congress, so splitting the information would not be helpful.

Ms. Liz Clingman of EDD explained that the issue related to data availability is complex because there are a number of sources that need to submit information. She stated that the Department of Labor specifies which quarters of data need to be compiled for the Annual Report, the definition of the measures to be used, and the time frames associated with those measures. EDD, in turn, is required to validate the data submitted by local areas through the unemployment insurance base wage file, a process that cannot be completed until employers submit data, and employer information is not available until the end of October or beginning of November. Ms. Clingman stated that the time crunch is primarily due to the delay in the availability of the validation tools. She added that the Department of Labor implemented a new validation software system this year, which created some additional glitches.

Mr. Gotlieb asked that the Performance Based Accountability Committee work with the staff to establish a more sensible data reporting schedule for next year.

Mr. Pulaski's motion to approve submission of the Annual Report was put to a vote and carried unanimously.

Adoption of Conflict of Interest Code

Mr. Gotlieb drew the State Board's attention to the proposed conflict of interest code. He noted that the State Board staff has worked with the Fair Political Practices Commission (FPPC) to tailor the disclosure requirements to what the State Board actually does, and the result is a much narrower range of reporting categories.

Mr. Woolfork explained that there are two filing categories, one for the State Board's information systems staff, and another for everyone else. State Board members are required to report interests in businesses or services with which the State Board directly contracts; information systems staff must report income received from computer entities with which the Board directly contracts.

Mr. Lindsey made a motion, which was seconded, to approve the conflict of interest code as proposed. The motion was carried unanimously.

Approval of Los Angeles County WIB Recertification, Subsequent Designation of City of Oakland and City of San Bernardino Local Workforce Investment Areas

Mr. Pulaski noted the State Board holds local workforce investment boards (LWIBs) accountable for certain performance standards. Because the Los Angeles County Workforce Investment Board (LACWIB) failed to show that a majority of its members were from the private sector, it was deemed out of compliance and given provisional status last year. Since that time, the LACWIB has taken corrective action, and 27 of its 51 members are now private-sector business people. Mr. Pulaski recommended upgrading the LACWIB from its provisional status to full recertification status. He made a motion to that effect, and the motion was seconded.

Mr. Dave Mar introduced Ms. Josie Marquez, director of the LACWIB, who had requested an opportunity to address the State Board.

Ms. Marquez acknowledged that the LACWIB had been out of compliance with the membership requirement. She stated that the LACWIB has established a special group to look at membership on an ongoing basis and to ensure that vacancies are filled with business representatives. She added that LACWIB is committed to meeting the needs of the local community, building greater capacity, and implementing stricter performance measures. Ms. Marquez expressed her appreciation to the State Board staff for their assistance.

Mr. Pulaski's motion was put to a vote and carried unanimously.

Mr. Pulaski noted that there were two LWIAs last year that did not meet the performance measures established by the State Board. He reported that both the City of Oakland and the City of San Bernardino have since made improvements and are now in compliance. He stated that Oakland met or exceeded nine of eleven standards by at least 80 percent, and San Bernardino is expected to be in full compliance as well. Mr. Pulaski recommended upgrading their provisional redesignation to subsequent designation. He made a motion to that effect, which was seconded.

Mr. Mar stated that the staff recently received the final data from San Bernardino and confirmed their full compliance. He commended both local areas for their diligence in taking the corrective actions necessary to improve their performance.

Mr. Pulaski's motion was put to a vote and carried unanimously.

Lunch Presentation: WIA Title II Adult Education and Literacy Update

Mr. Patrick Ainsworth, Ph.D., California Department of Education (CDE), and Ms. Wendy Maxwell provided information on WIA Title II adult education and literacy programs.

Mr. Ainsworth reported that Superintendent Jack O'Connell reorganized the CDE to consolidate adult education, alternative education, secondary education, and career technical education within the same division. He said the reorganization has made it possible to look at youth in a more comprehensive way and to ensure a smoother transition for young people into adult life. Mr. Ainsworth noted that the adult education system is functioning well, and that hundreds of thousands of California's adults are taking advantage of the opportunity to enhance their literacy skills. He stated that the system is truly performance-based; educational institutions receive no payment for any student unless the student makes some progress. He added that this emphasis on accountability has forced some institutions to undergo significant changes in their cultures.

Ms. Maxwell presented information documenting the literacy problem in California and the impacts of poor literacy on individuals, families, and the overall economy. She discussed the relationship between education levels and income. She showed a video describing one student's success story.

Ms. Maxwell stated that there are 356 adult schools in California, and the state allocates \$537 million to support their programs. Adult education programs serve approximately 1.4 million students. Ms. Maxwell noted that adult programs are typically self-paced and offered at various times and days. In English-as-a-second-language (ESL) classes, students with limited language skills are paired with more advanced peers to promote learning.

Ms. Maxwell noted that WIA Title II provides California with \$84 million per year for performance-based literacy programs serving over 700,000 students. Providers include adult schools, community colleges, community-based and faith-based organizations, library and volunteer tutoring programs, and state agencies.

Ms. Maxwell described how Title II works as a mandated partner in the state's One-Stop system. She said Title II provides intensive services, educational assessments, literacy tests and literacy classes, and referrals to partner agencies. Ms. Maxwell stated that during the coming year, CDE plans to identify successful partnership models and disseminate that information back to One-Stop partners, to develop a formal literacy and workforce policy for the State Board, and to monitor the reauthorization process jointly with the State Board.

Ms. Maxwell drew the State Board's attention to the materials in the meeting packet. She stated that letters will be sent to Title II agencies urging them to partner with their LWIBs. She reviewed the results of a recent survey of One-Stop partnerships regarding their programs, their levels of satisfaction, strengths, and barriers. She noted that respondents recommended developing statewide comprehensive access plans, improving communications at the state level, streamlining procedures, and making data and accountability systems compatible.

Ms. Maxwell noted that WIA reauthorization provides an opportunity for Title II to work more closely with the One-Stops to provide in-kind services and support. She welcomed greater cooperation between the State Board and Title II.

Mr. Ainsworth advocated stronger partnerships between education and the workforce development system. He noted that CDE's recent consolidation will make such coordination easier.

Mr. Simmons recommended reaching out to One-Stop providers in addition to LWIBs. He asked what efforts are being made to help One-Stop providers comply with state standards. Mr. Ainsworth stated that CDE has program consultants who provide technical assistance. He noted that auditors visit programs that are out of compliance to help identify specific causes and establish a time frame for improvement. Ms. Maxwell added that consultants make site visits to all new agencies. She commented that if audits reveal significant compliance issues, payments can be withheld.

Mr. Burt expressed support for stronger linkages between adult education and workforce investment. He noted that many adult education teachers report that their students find it difficult making the transition from school to the job market, and he recommended providing more help in that area. Ms. Maxwell said Title II provides funding for vocational ESL and vocational adult basic education classes that help address this problem.

Mr. Simmons recommended inviting LWIBs and service providers to help the CDE in designing programs that integrate WIA with education and the One-Stop system. He volunteered to assist in that effort.

Mr. Lindsey asked how the adult education system can help employed people improve their skills and advance to better jobs. Ms. Maxwell explained that Title II is specifically targeted for people whose literacy skills are below high school level. Mr. Ainsworth stated that students who complete adult education programs can be channeled into other vocational programs or community colleges to build additional skills.

Ms. Essel thanked Mr. Ainsworth and Ms. Maxwell for their presentation.

Approval of One-Stop Certification and Marketing Workplan

Ms. Essel invited Ms. Pat Wise and Mr. Militzer to discuss the One-Stop Certification Work Group's proposed One-Stop certification and marketing work plan.

Ms. Wise drew attention to the materials under Item 9 of the agenda packet. She reported that the One-Stop Data Stakeholders Work Group met twice to discuss basic standards for One-Stop certification. She stated that the proposed work plan calls for a two-step process of developing basic standards and then quality standards, creation of a self-study guide, training on the use of the self-study guide, and marketing activities. She recommended that the Board approve the work plan.

A motion was made and seconded to approve the work plan as proposed. The motion was carried unanimously.

Panel Presentation: Workforce and the Health Care Industry

Mr. Steve Levy, Center for Continuing Study of the California Economy and Chair of the Council of Economic Advisors, said the State Board faces two challenges: (1) helping the economy move forward by looking at industries and occupations that can grow and bring new income to California, and (2) helping unemployed and disadvantaged people find work and careers. Although manufacturing jobs have steadily declined in the U.S. in recent years, jobs in other sectors are expanding. For example, health care in particular shows striking prospects for future employment growth and appears to be a recession-proof industry.

Mr. Levy introduced Ms. Sandy Kirschenmann, Los Rios Community College District; Ms. Rita Sklar, Bay Area Works; Mr. Mike Dardia, Sphere Institute and California Association of Health Facilities (CAHF); and Mr. Richard Holden, EDD. He indicated the panelists, representing education, workforce development, health care, and government, would be discussing possible ways of preparing for that growth and meeting future needs.

Ms. Kirschenmann focused on the growing need for registered nurses in California and throughout the U.S. She stated that the demand for nurses far exceeds the capacity of the state to train them, and filling vacancies is a constant challenge for most hospitals and health care institutions throughout the state. Ms. Kirschenmann noted that Sutter Health estimates they spend \$30 million per year on training registered nurses because efforts to recruit qualified nurses from foreign countries and other states have not kept up with their needs.

Ms. Kirschenmann stated that the chief factor causing the nursing shortage appears to be the lack of capacity to train new nurses. She noted that although many nurses are reaching retirement age, wages in the field are generally fairly high and many people are interested in nursing careers. However, there are not enough nursing schools, not enough capacity at the schools that exist, and insufficient funding to support nursing education. Ms. Kirschenmann explained that community colleges receive the same amount of funding for nursing programs as for other types of courses, but the costs of providing education are much higher due to clinical costs, instructional costs, and workers' compensation costs. As a result, many community college districts are unwilling or unable to offer nursing education.

Ms. Kirschenmann commented that in the Sacramento area, Sutter Health has stepped forward and invested \$15.5 million in a project with the Los Rios Community College District. In addition, Los Rios has taken advantage of state funding available through the Nurse Workforce Initiative. As a way of increasing capacity, Ms. Kirschenmann advocated for differential funding for nurse workforce education. She also recommended participating in partnerships with local health care providers such as Sutter Health.

Ms. Kirschenmann noted that educating nurses is a time-consuming and rigorous process. She stated it takes a minimum of 28 months to train a person, and ideal candidates need enormous investigative skills and talent in order to succeed.

Ms. Sklar discussed what Bay Area Works is doing to train workers in the region for high-paying jobs in health care. She explained that Bay Area Works is an employer-driven collaborative of industry, education, and workforce people dedicated to providing employers with easier access to qualified employees. Bay Area Works tries to pair employers with people needing work in the nine-county Bay Area.

Ms. Sklar described a small-business demonstration project involving focus groups in targeted regional industries. By identifying employer needs in certain fields, Bay Area Works provides technical assistance in developing plans to provide services that meet those needs.

Ms. Sklar stated that Bay Area Works has four sector initiatives: healthcare, life science, construction, and information technology. She noted that in the field of health care, Bay Area Works has assembled a group of employers from hospitals and health care systems, community clinics, educational institutions, workforce development agencies, community-based organizations, and labor, representing all the major stakeholders in the health care arena. Bay Area Works conducted a gap analysis based on EDD projections and a survey of educational institutions in the nine-county Bay Area. The gap analysis identified employment needs in pharmacy, laboratory, diagnostic imaging, nursing, and office support.

Working with the health employers panel, Ms. Sklar indicated, Bay Area Works prioritized the top positions in health care and decided to focus on three: registered nurses, radiologic technicians, and clinical lab and medical lab technicians. The health employers panel formed three task forces based on these positions, and those groups began looking at causes of shortages, barriers, and strategies for meeting future employment needs.

Ms. Sklar reviewed some of the strategies for dealing with shortages of health care professionals. She noted that they include increasing funding for community colleges and state universities, ascertaining which prerequisites are tied to success in training, doing more outreach and recruiting to nontraditional and diverse populations, developing new educational programs, and promoting career opportunities.

Mr. Dardia discussed a CAHF initiative to expand the CNA workforce. He presented information about CNA wage rates and workplaces and noted that the typical turnover rate in nursing home facilities is 100 percent per year. Mr. Dardia stated that in response, CAHF will be conducting a survey to determine why CNAs leave the industry, where they go, and what can be done to attract them back.

Ms. Lopez-Baffo asked if there are any mentoring programs for CNAs. Ms. Monagan responded that CAHF used 15 Percent Discretionary Fund money to place 2,000 CNAs in jobs, and that there are efforts to develop career ladders to keep people in the field.

Mr. Holden reported that EDD has produced four reports focusing on various facets of the health care industry. The first report, entitled "Help Wanted: Making a Difference in Healthcare," is aimed at educators, human resources people, government policy makers and economic development organizations. The report presents a gap analysis showing the skills and employment needs in different health care occupations. Mr. Holden stated a second report deals with building career ladders. He displayed samples of other career guides and posters illustrating the tasks, requirements, wages, and outlook for a wide range of health-related occupations.

Mr. Holden noted that EDD is also looking at ways of helping employers recruit entry-level RNs to meet the current nursing shortage. He stated that in looking at career ladders, EDD examined where medical assistants and LVNs are currently working. Because most medical assistants and LVNs work in places other than hospitals, it can be challenging to create transitions across industries and across geographical

areas. Mr. Holden displayed a chart illustrating the skills and knowledge required for nursing compared to other health care occupations. Again, he emphasized the importance of identifying training candidates with appropriate interests and orientations.

Mr. Holden stated that based on its research, EDD recommends greater collaboration and coordination among educators, employers, professional associations, and certifying agencies. EDD also recommends building a bridging program and using assessment tools to find candidates whose interests and values match those in health care occupations. Mr. Holden noted that EDD is sharing this information with LWIBs, educational institutions, and health care providers in order to promote capacity-building and staff development.

Mr. Holden stated that EDD will be releasing a report on biotechnology careers sometime in January. He noted that California is a hotbed of biotechnology compared to the rest of the nation. He added that biotechnology is another field related to health care that is expected to grow considerably in the future.

Ms. Kirschenmann noted that the Nurse Workforce Initiative provides grants for innovation and capacity-building. She stated that for political reasons, the innovation grants were rolled out first, but it would have been better to release the capacity grants first. She urged the State Board to advocate for the roll-out of the capacity grants. Ms. Kirschenmann recommended maximizing funds by using them in areas where there are numerous locations for students to obtain clinical experience. She pointed out that using these funds in rural areas with limited training sites limits the state's capacity to train large numbers of students. Ms. Kirschenmann also suggested requiring grant dollars to be matched by local providers so they can be leveraged more efficiently. She noted that many federal job training funds are not available for health care; expanding eligibility for those funds would be a great help. Ms. Kirschenmann pointed out that health care jobs require good skills and pay well, so they should be used to put American citizens back to work.

Ms. Essel thanked Mr. Levy and the panelists for their presentation.

Presentation: California Regional Economies Project

Ms. Kathleen Milnes explained that the California Regional Economies Project uses the regions of the state identified by the Economic Strategy Panel to identify key industry clusters and examine economic changes and long-term trends. She stated that the purpose of the project is to continuously measure performance throughout the California economy, to improve economic and workforce development planning and decision-making, and to bridge economic and workforce policies. She recommended that the 25 Percent Work Group consider earmarking funds for this kind of economic and workforce trend analysis.

Mr. Ed Kawahara, California Economic Strategy Panel, displayed a slide depicting the nine economic regions in California. He stated that the first phase of the project focused on the Bay Area, and the next economic region studied was the Northern Sacramento Valley. He presented some of the research findings for the Bay Area.

Mr. Kawahara displayed slides depicting employment rates in specific industry clusters between 1990 and 2002. He pointed out that while certain sectors of the economy, such as manufacturing, experienced a continuing decline, other sectors, like biotechnology and health care, experienced steady growth. Mr. Kawahara traced these trends through the economic downturn in the late 1990's. He reviewed average wages for the major industry clusters. He also showed how each cluster includes suppliers and support services that are also affected by the trends.

Mr. Kawahara noted that the quantitative data needs to be supplemented with a qualitative analysis based on input from business owners and industry representatives. He stated the California Regional Economies project sponsored a forum to gather that kind of qualitative perspective. He added that the data needs to be disaggregated in order to make it more useful to planners and decision-makers in each region.

Ms. Trish Kelly commented that each iteration of the project will produce better and more refined data. She noted the input from employers and educators was extremely valuable in identifying the kinds of skills workers need and the gaps in the present system. She encouraged LWIBs to join together to develop regional economic strategies.

Ms. Hamilton stated that CWA will be working with the California Regional Economies Project to help LWIBs organize regional meetings where information and lessons learned can be shared and used to develop future plans. Mr. Kawahara acknowledged and thanked CWA for helping with this effort.

Mr. Essel thanked Mr. Kawahara for his presentation.

Other Business

There were no other items of new or old business brought to the State Board's attention. Ms. Essel thanked all participants for their attendance and adjourned the meeting.